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FISCAL IMPACT STATEMENT

LS 7300

BILL NUMBER: HB 1392

NOTE PREPARED: Jan 3, 2007

BILL AMENDED:

SUBJECT: Alcoholic Beverage Permits.

FIRST AUTHOR: Rep. Stevenson

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
☐ **FEDERAL**

IMPACT: State & Local

Summary of Legislation: This bill allows the Alcohol and Tobacco Commission to issue not more than ten new one-way, two-way, or three-way permits to a town that meets certain requirements.

Effective Date: July 1, 2007.

Explanation of State Expenditures: Allowing the Alcohol and Tobacco Commission (ATC) to issue these 10 permits and hold an auction for these permits may result in an increase in administrative costs for the ATC. It is estimated that any increase in costs will be offset by the increase in permit fee revenues.

Explanation of State Revenues: This bill will result in an indeterminable increase alcohol retailer permit fee revenues deposited in the Excise Fund. The bill would allow the ATC, after June 30, 2007, to issue, without regard to the statutory quotas, not more than 10 new one-way, two-way, or three-way permits to a town that meets certain requirements. The bill provides that the these permits shall be issued through an auction conducted by the ATC under IC 7.1-3-22-9. The bill also provides that the minimum bid for one of these 10 permits is \$1,350. Therefore the increase in permit fee revenue will be at least \$13,500. Ultimately, the date of the auction and the amount winning bids will determine the timing and the amount of this bill's fiscal impact.

Fee revenues collected from one-way, two-way, and three-way permits is be deposited in the Excise Fund and then distributed 37% to the state General Fund; 33% to the general funds of cities, towns, and counties, based on population and 30% to the ATC's Enforcement and Administration Fund.

Background: A one-way permit is for a restaurant that serves beer only. A two-way permit allows a restaurant

to serve both beer and wine, and a three-way permit allows a restaurant to serve beer, wine, and liquor.

The bill requires that any applicants for these 10 permits must be the proprietor of a restaurant located within a town that meets all of the following requirements:

- (1) Was founded in 1886.
- (2) Contains a part of a state nature preserve that is also a National Natural Landmark. The total size of the state nature preserve must be between 500 and 600 acres.
- (3) Has a population of more than 24,800 but less than 30,000.
- (4) Contains an original schoolhouse listed on the National Register of Historic Places.

Schererville, in Lake County, Indiana, is currently the only known town to meet all of these requirements.

Explanation of Local Expenditures:

Explanation of Local Revenues: Fee revenues collected from one-way, two-way, and three-way permits is be deposited in the Excise Fund and then 33% to the general funds of cities, towns, and counties, based on population. The increase in fee revenue distributed to the locals is estimated to be minimal.

State Agencies Affected: Alcohol and Tobacco Commission.

Local Agencies Affected: All.

Information Sources:

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